



STATE OF TENNESSEE
FINANCE AND ADMINISTRATION

**REQUEST FOR PROPOSALS # 31701-05037
AMENDMENT # 3
FOR ACTUARIAL VALUATION SERVICES FOR
HEALTHCARE PLANS OTHER POST EMPLOYMENT
BENEFITS**

DATE: April 5, 2013

RFP # 31701-05037 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates.

EVENT	TIME	DATE	UPDATED / CONFIRMED
1 RFP Issued		February 19, 2013	Confirmed
2 Disability Accommodation Request Deadline	2:00 p.m.	February 22, 2013	Confirmed
3 Pre-Proposal Conference	9:30 a.m.	February 26, 2013	Confirmed
4 Notice of Intent to Propose Deadline	2:00 p.m.	February 27, 2013	Confirmed
5 Written "Questions & Comments" Deadline	2:00 p.m.	March 5, 2013	Confirmed
6 State Response to Written "Questions & Comments"		March 27, 2013	Confirmed
7 Proposal Deadline	2:00 p.m.	April 15, 2013	Confirmed
8 State Completion of Technical Proposal Evaluations		April 29, 2013	Confirmed
9 State Opening & Scoring of Cost Proposals	2:00 p.m.	April 30, 2013	Confirmed
10 State Evaluation Notice Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	May 2, 2013	Confirmed
11 Contract Signing		May 14, 2013	Confirmed
12 Contractor Contract Signature Deadline	2:00 p.m.	May 21, 2013	Confirmed

2. Informational Note

The State unintentionally omitted the following questions and responses from RFP # 31701-05037, Amendment 2.

3. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1 Please provide detailed information about the fees charged for biennial OPEB valuation services to the State in the past.	See the response to Question 22 in RFP # 31701-05037, Amendment 2.
2 Please provide detailed information about the fees charged for OPEB valuation update report services (off-year) to the State in the past.	See the response to Question 22 in RFP # 31701-05037, Amendment 2.
3 Please provide detailed information about the fees charged for other actuarial related services to the OPEB plans in the past.	See the response to Question 22 in RFP # 31701-05037, Amendment 2.
4 Please provide a copy of the State's most recent contract for GASB 43/45 actuarial services.	<p>The State Contract with Buck Consultants has been provided to the vendor.</p> <p>Other interested vendors must submit a written request for a copy of the Contract with Buck Consultants to the RFP Coordinator listed in RFP Section 1.4.2.1.</p> <p>An email request is acceptable.</p>
<p>5 We noticed that the Scope section of the proposed contract (A.2.b.(1)ii and iii) states that the successful proposer is to determine the Annual OPEB Cost, including the interest component, for all employers for each of the four plans; however, the July 1, 2011 Report for the Local Government Employee Group prepared under the current contract, for example, only presents the normal cost and Annual Required Contribution for each employer.</p> <p>a. Is the contract scope accurate?</p> <p>b. Is any aspect of the actuarial services provided under this proposed contract different from that covered by the current contract?</p>	<p>A.) Yes, the scope is correct. Annual OPEB cost, including the interest component and ARC adjustment, will be provided for all employers, in all plans, whose information is reported in the state CAFR.</p> <p>B.) Yes, the inclusion of the projected annual required contribution (ARC), to be used in the years between biannual valuations, is different from the current contract.</p>
6 Could you please provide us a copy of the most recent roll-forward OPEB actuarial report and any other additional actuarial communications (reports and/or letters) related to OPEB for the last two fiscal year ends?	See the responses to Question 4 and Question 28 in RFP # 31701-05037, Amendment 2.
7 Could you please provide us a copy of any report or correspondence prepared by the state auditor's office relating to these actuarial services under the current contract?	The State auditors have not prepared any report or correspondence related to the actuarial services under the current contract. The State's OPEB reporting is audited as a part of the CAFR.
8 Why is the GASB OPEB actuarial work going out to bid at this time?	The current contract expires in October 2013. The new contract will begin July 1, 2013 to

QUESTION / COMMENT	STATE RESPONSE
	allow the new contractor to prepare for the upcoming reports.
9 Will the most recent actuarial firm be allowed to bid?	See the response to Question 8 in RFP # 31701-05037, Amendment 2.
10 How long has the current actuary been providing these services?	The current actuary has provided OPEB services under a six year contract.
11 When was the last time the plan went out to bid for these services?	The RFP for the current contract was released in August 2007.
12 Can you indicate the make-up of the evaluation committee—not necessarily by names, but by positions in which departments?	The evaluation team will be composed of management and staff from the Department of Finance & Administration.
13 Please provide all scoring documents related to the last RFP for these services.	<p>The State has provided score information to the vendor.</p> <p>Other interested vendors must submit a written request for a copy of the score information to the RFP Coordinator listed in RFP Section 1.4.2.1.</p> <p>An email request is acceptable.</p>
14 What mathematical mechanism (as is described for Section C on page 24 of RFP # 31701-05037) will be used to calculate proposer scores for Section B? Is each question of Section B also weighted using “Evaluation Factors”? In short, how is Section B going to be evaluated for scoring?	Each evaluator will score RFP Attachment 6.2, Section B as a <u>single</u> value, with a maximum of 25 points. The questions in Section B do not have individual weights.
15 Are the numeric values of the Cost Proposal Evaluation Factors listed on Page 26 of RFP # 31701-05037 based on current or historical experience? Are they related to the number of hours of work expected for the updates and other related services?	<p>The Evaluation Factors are based on historical usage of OPEB services. The projected hours are related to the expected contribution from the different job classifications.</p> <p>However, according to the NOTICE: in RFP Attachment 6.3, <u>Cost Proposal & Scoring Guide</u>, “The Evaluation Factor associated with each cost item is for evaluation purposes <u>only</u>. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Proposer.”</p>
16 Should a proposer offer services in addition to those required by and described in this RFP, which then become a part of the contract awarded as a result of this RFP (3.6. Proposal of Additional Services), would such inclusion in the contract be accomplished through the process outlined in 4.11? Contract Amendment?	<p>The intent of RFP Sections 3.6 and 4.11 is not the same. These sections address additional services but at different times in the procurement/contract process and with or without costs.</p> <p><u>RFP Section 3.6</u> addresses additional services proposed by the Proposer in their proposal.</p>

QUESTION / COMMENT	STATE RESPONSE
	<p>The Proposer may propose those services in addition to the State's requirements, with the following restrictions: (1) such services must be provided <u>at no additional cost</u> to the State; and (2) such services may be added to the contract at the State's sole discretion and must be approved by the State in advance of their implementation.</p> <p><u>RFP Section 4.11</u> addresses additional services requested by the State, after contract award, that are "within the general scope of the Contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated". This is affected through an amendment to the contract.</p> <p>The State neither encourages nor discourages the proposal of additional services; this is a business decision for the Proposer. However, if the Proposer chooses to propose additional services, the costs for any such services <u>must be included in existing cost items</u> in the Cost Proposal, and the costs <u>must conform to the Cost Proposal format</u> found in RFP Attachment 6.3. The Proposer may <u>not</u> charge the State any additional fee for the services in question.</p>
<p>17 Are there any current service or cost concerns that the State wants to avoid with a new firm?</p>	<p>No.</p>